

Fair Political Practices Commission

Memorandum

To: Chairman Randolph, Commissioners Blair, Downey, Karlan, and Knox

From: Mark Krausse, Executive Director

Subject: Legislative Report

Date: July 22, 2004

The Legislature has not officially adjourned for summer recess, but can do so once a state budget has been sent to the Governor. The Legislature returns from summer recess on August 2. The last day for each house to pass bills is August 31.

Action Items

Bill No.	Author	Title	Introduced/Amended
AB 2842	Leno	Campaign loans	4/14/04
Provides that bank loans are not exempt from the \$100,000 personal loan limit imposed on elective state office candidates by Proposition 34. Urgency Clause. Senate Floor. Staff Recommendation: Support (See analysis)			
SB 1353	Perata	Political party committees	6/17/04
Commission-sponsored measure that exempts Social Security, disability and other similar benefit payments from the definition of income, and provides that supplemental pre-election statements may be submitted by guaranteed-overnight delivery. Assembly Floor. Staff Recommendation: seek amendments to resolve issues related to the California Bay-Delta Authority and other state and local bodies with federal representatives. (See analysis)			

Informational Items Bills Amending the PRA, Elections Code

Bill No.	Author	Title	Introduced/Amended
AB 890	Levine	Political party committees: late contributions	5/20/04
This bill is a “gut and amend” to insert the contents of SB 1072 (Burton), a bill introduced last year to address a controversy arising out of the 2002 state general election involving late contributions from 21 st Century Insurance. The current language makes state and county political party committees state general purpose committees, thus subjecting them to pre-election disclosure requirements, and also includes aggregated contributions of \$1000 or more to a political party committee in the definition of late contributions. Urgency clause. Senate Floor. Commission Position: Support.			
AB 1784	Wolk	Lobbyists: conflicts with statewide officers	6/22/04
This bill prohibits a lobbyist from contacting an elected state officer, other than a legislator, with whom the lobbyist has or had a contractual or business relationship, for the purpose of influencing legislative or administrative action. The bill defines contractual and business relationships and requires lobbyists to notify the Secretary of State within 14 days of a contractual or business relationship with an elected state officer. AB 1784 also requires that candidates report a contract or agreement that includes a payment contingent upon the candidate’s election to office. Senate Rules Committee.			

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Informational Items		Bills Amending the PRA, Elections Code	
Bill No.	Author	Title	Introduced/Amended
AB 1785	Frommer	Lobbyists: conflicts with legislators	6/22/04
This bill prohibits a lobbyist from contacting a legislator with whom the lobbyist has or had a contractual or business relationship, for the purpose of influencing legislative or administrative action. Requires lobbyists to notify the Secretary of State within 14 days of a contractual or business relationship with an elected state officer. Senate Rules Committee.			
AB 2936	Longville	Online and electronic disclosure ("spot" bill)	2/20/04
Placeholder measure that deletes obsolete reference in the PRA. In Senate Elections.			
AB 3101	ER&CA	Voluntary expenditure limits	7/15/04
Provides that a candidate may not change his or her acceptance or rejection of voluntary expenditure limits more than twice after the candidate's initial filing of a statement of intention to be a candidate. Commission Position: Support. Enrolled to the Governor.			
SB 1340	Perata	Campaign disclosure	3/22/04
Commission-sponsored measure that would, in addition to other changes, require filing officers for independent expenditure committees to maintain paper independent expenditure reports under the name of the candidate or measure supported or opposed by the independent expenditure. The bill would require retention of campaign records for 5 years, require audits of electronic reports and statements, and create a 4-year statute of limitations for collection of fines. In Assembly.			
SB 1351	Soto	Local officials: conflicts of interest	6/21/04
Prohibits, for a period of one year, a former elected city or county official who held a position with a local government agency from appearing before or communicating with that agency if the appearance or communication is made for the purpose of influencing administrative or legislative action, or influencing any action or proceeding involving the issuance, amendment, awarding, or revocation of a permit, license, grant, or contract, or the sale or purchase of goods or property. The June 21 amendment proposes to redefine "immediate family" to include all children, instead of only dependent children. This would increase the Legal Division's workload conflict-of-interest analysis at least two-fold, at a cost of \$200,000-\$400,000 annually. Commission Position: Oppose. In Assembly Appropriations. Anticipated hearing date August 4, 2004.			
SB 1449	Johnson	Campaign loans	4-/16/04
Prohibits a candidate from loaning more than \$100,000 from any source, including bank loans, to his or her elective state office campaign. Commission Position: Support. In Assembly.			
SB 1458	Johnson	Public moneys ("spot" bill)	6/22/04
Placeholder measure amending the section prohibiting public officers and candidates from expending or accepting public funds. In Assembly Appropriations. Anticipated hearing date August 4, 2004.			
SB 1653	Johnson	Conflicts of interest ("spot" bill)	2/20/04
Placeholder measure amending conflict of interest provisions. In Assembly.			

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<i>Informational Items</i>		Bills Amending the PRA, Elections Code	
Bill No.	Author	Title	Introduced/Amended

SB 1712 Alpert Online campaign disclosure 2/20/04

Requires the Secretary of State's office to review current filing and disclosure requirements of the Online Disclosure Act of 1997 and report to the Legislature, no later than June 1, 2005, its recommendations on revising requirements so as to promote greater reliance on electronic and online submissions. **In Assembly Appropriations.**

SB 1730 Johnson Primary elections 7/1/04

Changes the statewide direct primary election from being held on the first Tuesday after the first Monday in March in each even-numbered year, to being held on the last Tuesday in June of each year. Changes the established mailed ballot elections date from the first Tuesday after the first Monday in June of each even-numbered year to March of each even numbered year. **In Assembly Appropriations.**

SB 1849 Karnette Campaign and Lobbyist Reporting 6/22/04

Drops the threshold for electronic filing of campaign reports from \$50,000 to \$5,000 in contributions or expenditures. Requires the SOS to provide free online filing by January 1, 2006. **In Assembly Appropriations. Commission Position: oppose.**

<i>Informational Items</i> — Two-year Bills Amending the PRA			
Bill No.	Author	Title	Introduced/Amended

AB 1197 Wiggins School officials: conflicts of interest 8/28/03

Includes in the definition of "designated employee" any board member, chief business officer, superintendent, assistant superintendent, deputy superintendent, associate superintendent, chief personnel officer, and general counsel of a public school district or county office of education, and equivalent positions, and any individual having governance or management responsibility in a charter school. The bill would designate the county board of education as the code reviewing body for charter schools. **Reconsideration granted. To Senate Inactive File.**

SB 604 Perata Cumulative contributions 2/5/04

Defines "cumulative contributions" to be those contributions received beginning 12 months prior to the date the committee made its first expenditure to qualify, support, or oppose the measure and ending within seven days of the time the advertisement is sent to the printer or broadcast station. Deletes references to telegrams and adds methods for filing, including facsimile transmission and guaranteed overnight delivery. Amended by the author at the request of plaintiffs in Levine v. FPCC to reform the slate mail disclosure statutes at issue in that case. **In Assembly. Urgency clause. Commission Position: Sponsor.**

Informational Items — Two-year Bills Amending the PRA (cont'd)

Bill No.	Author	Title	Introduced/Amended
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SB 641 Brulte Campaign expenditures: telephone advocacy 7/1/03

This bill would change the definition of “mass mailing” found in the Act from “mail” to a specific definition of what items delivered to a person constitute a mass mailing. It also adds language to the act prohibiting the expenditure by a candidate, committee or slate mail organization for anonymous telephone advocacy for a candidate, ballot measure, or referendum. The author accepted an amendment requested by the Commission to maintain a record of the call’s script or in the case of a prerecorded message, a taped copy. This would not apply to telephone calls made by the candidate, campaign manager, or volunteers. The author rejected a Commission sponsored amendment requiring disclosure at the beginning of the call, but took Commission language regarding retention of text or recording of content of message. **Urgency clause. In Assembly Elections. Hearing cancelled.**

SCA 14 Vasconcellos Political Reform 7/6/04

This bill would establish the FPPC, California Economic Strategy Panel (CESP) and the California Redistricting Commission by constitutional provision. It would establish the Clean Campaign Fund, administered by the FPPC and providing public funds to candidates under certain conditions, and would fund the campaign by taxing political advertisements. It would require the FPPC to license and monitor campaign consultants and would prohibit campaign consulting without the license. It would change voting options and primary election dates. It would increase the number of Senators and Assemblymembers and their terms of office. It would change the voting requirement for General Fund appropriations from a 2/3 vote to a majority vote except for appropriations in the Budget Act. It would allow the Legislature to increase taxes, except property taxes, by a vote of 55% in each house. It would prohibit certain independent expenditures. It would place additional responsibilities on the CESP. It would make the Legislative Counsel responsible for redistricting, revise redistricting standards and create the CRC for the purpose of advising the Legislative Counsel. It would redefine the term “change in ownership” for purposes of property taxes. **In Senate Constitutional Amendments.**

Final Disposition Items — Bills No Longer Amending the PRA

Bill No.	Author	Title	Introduced/Amended
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AB 1980 Wolk Ballot Measure Trustees: Prohibited expenditures 5/22/04

This bill has been amended out of the PRA. It now amends the Elections Code to prohibit expenditures in support of a trustee’s candidacy for elective office or in opposition to a candidate running for the same elective office. It is expected that this bill will be sent to a conference committee where it will once again be amended to take on PRA-related content.

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<i>Informational Items</i>		Dead Bills Proposing to Amend the PRA	
Bill No.	Author	Title	Introduced/Amended
AB 2818	Pacheco	CPI adjustments	4/26/04
As amended, this bill requires the Commission to adjust the disclosure and disqualification threshold of section 84308 to reflect changes in the Consumer Price Index since January 1, 1983, and to adjust it in the future in every odd-numbered year. Commission Position: Oppose. Died in the Assembly.			
AB 2888	Strickland	Contribution limits ("spot" bill)	2-20-04
Placeholder measure that makes nonsubstantive changes to contribution limit provisions. Died in Assembly.			
AB 2931	Koretz	Mandatory campaign spending limits ("spot" bill)	2/20/04
Placeholder measure that expresses the intent of the Legislature to enact legislation that would impose mandatory limits on campaign spending. Died in Assembly.			
AB 2949	Hancock	Clean Money and Clean Elections Act	4/15/04
Repeals a provision prohibiting public officers from expending or accepting public funds for purposes of seeking elective office, and enacts the California Clean Money and Clean Elections Act of 2004, which would authorize eligible candidates, as defined, to obtain public funds according to specified procedures and requirements, provided that certain thresholds are attained. (Staff will provide an analysis if the bill is approved by the Assembly Appropriations committee.) Died in Assembly Appropriations.			
AB 3006	Haynes	Campaign contributions	2/20/04
Prohibits legislators and constitutional officers from accepting contributions during the period between the annual submission of the Governor's Budget and the enactment of the state budget. Died in Assembly Elections.			
SB 1072	Burton	Political party committees: late contributions	6/9/03
Adds contributions made to or received by a political party committee after the closing date of the last campaign statement required to be filed before an election to the definition of late contribution. (Note: contents of this measure recently amended into AB 890 (Levine). Failed passage twice in Assembly. Commission Position: Support. In Assembly.			
SB 1902	Florez	Nonprofit corporations: disclosure	4/13/04
This bill would require a nonprofit corporation that has an elected official as its president or on its governing board to disclose its finances to the FPPC by April 15 each year. Died in Senate Elections.			